

Message Text

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PAGE 01 STATE 158444
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C O N F I D E N T I A L STATE 158444

E.O. 11652: GDS

TAGS:EEWT, CASC, UR, US

SUBJECT: CRAWFORD ARREST: MEETING OF USG OFFICIALS WITH
SUSHKOV AND KOSTANDOV

REF: STATE 155796

1. THIS TELEGRAM IS TO REPORT SUBSTANCE OF DISCUSSION OF
CRAWFORD CASE AT ROUND OF MEETINGS AT STATE, TREASURY AND
COMMERCE ON JUNE 20 WITH SOVIET VISITING OFFICIALS SUSHKOV
AND KOSTANDOV. FULLER REPORTS WILL FOLLOW.

2. MARSHALL SHULMAN, MEETING WITH SUSHKOV, RAISED CRAWFORD
CASE, NOTING THAT HE HAD BEEN CALLED BY MANY BUSINESSMEN,
WHO HAD EXPRESSED CONCERN OVER WHAT HAPPENED. A NUMBER OF
BUSINESSES HAD BEEN HESITANT ABOUT DEALING WITH THE SOVIET
UNION, DUE TO THE FACT THE ACTION TAKEN HAD BEEN AGAINST
INTERNATIONAL HARVESTER, PLUS THE MANNER OF CRAWFORD'S
ARREST. SUSHKOV REPLIED THAT THEY HAD ALWAYS HAD
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 158444

EXCELLENT RELATIONS WITH INTERNATIONAL HARVESTER. THEY HAD
DISCUSSED THE CASE WITH THE COMPANY, WHICH INDICATED THAT
PERHAPS THE WRONG MAN HAD BEEN CHOSEN TO REPRESENT THEM IN
MOSCOW. SUSHKOV SAID HE HAD MET A LARGE NUMBER OF US
BUSINESSMEN DURING HIS VISIT, BUT THE ONLY PEOPLE WHO
RAISED THE CRAWFORD CASE WERE HAL SCOTT AND NOW DR. SHULMAN.

HE SAID THAT THE MINISTRY OF FOREIGN TRADE WERE UPSET AND THAT THEY HAD NOT KNOWN ANYTHING ABOUT THE CASE BEFORE THE ARREST. WHILE CRAWFORD EXPRESSED DISSATISFACTION WITH THE SOVIET SYSTEM ON A NUMBER OF OCCASIONS, THIS OBVIOUSLY WAS NOT A FACTOR IN HIS ARREST. SUSHKOV SAID THAT THE USSR HAS STRICT CURRENCY LAWS WHICH ARE STRICTLY ENFORCED. HE SAID THAT MFT WANTS TO GET THE MATTER RESOLVED AS SOON AS POSSIBLE, AND PLACE A LOT OF VALUE ON OUR RELATIONS WITH INTERNATIONAL HARVESTER. SHULMAN NOTED THAT US BUSINESSMEN WERE PERHAPS NOT SO WILLING AS HE TO BE FRANK WITH SUSHKOV. HE NOTED THAT ONE PROBLEM WAS THAT THE MATTER IS CLOUDY; THE CHARGES ARE NOT SPECIFIC. HE AGREED IT SHOULD BE RESOLVED WITHOUT DELAY.

3. IN THE MEETING ON JUNE 20 BETWEEN UNDERSECRETARY OF TREASURY SOLOMON AND SUSHKOV, SOLOMON RAISED THE CRAWFORD ARREST. SOLOMON ADVISED SUSHKOV NOT TO UNDERESTIMATE THE NEGATIVE IMPACT THIS INCIDENT MIGHT HAVE ON US COMPANIES DOING BUSINESS IN THE SOVIET UNION. SOLOMON ADDED THAT THERE IS A WIDESPREAD IMPRESSION IN THE US, EVEN THOUGH CRAWFORD MAY OR MAY NOT BE TECHNICALLY GUILTY, THAT THE ARREST WAS A POLITICAL RESPONSE IN RETALIATION FOR THE ARRESTS IN NEW JERSEY OF TWO SOVIET CITIZENS FOR ESPIONAGE ACTIVITIES. HE STATED THAT THIS BRINGS IN TO US-SOVIET COMMERCIAL RELATIONS SOMETHING THAT DOES NOT BELONG THERE AND OVERBURDENS THAT RELATIONSHIP IN A WAY WHICH IS NOT IN CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 158444

EITHER COUNTRY'S INTEREST. SUSHKOV RESPONDED THAT THE CRAWFORD ARREST WAS A SURPRISE TO OFFICIALS IN THE MINISTRY OF FOREIGN TRADE. HE COMMENTED ON THE PERFECT RELATIONS THE SOVIETS HAVE WITH INTERNATIONAL HARVESTER AND ADDED THAT THE COMPANY DID NOT WANT TO CANCEL THE PROGRAM FOR THE CHEMICAL INDUSTRY DELEGATION, DESPITE THE ARREST. SUSHKOV STATED THAT THE ARREST WAS NOT RELATED TO THE INCIDENT IN NEW JERSEY. SOVIET CURRENCY LAWS ARE STRICT, BECAUSE THE RUBLE IS A CLOSED CURRENCY AND THE LAW IS SEVERE ON ANYONE WHO BREAKS THE LAW. HE SAID THAT CRAWFORD WILL BE TRIED, AND THEY WILL TRY TO SEE THAT HE IS RELEASED. HE ADDED THAT THE COURTS IN THE USSR ARE, HOWEVER, SEPARATE FROM THE GOVERNMENT AND THEY CAN ONLY GIVE THE COURTS ADVICE. SOLOMON EXPRESSED HIS PLEASURE THAT THEY WOULD SEEK TO HAVE HIM RELEASED. HE ADDED THAT IT WOULD BE HELPFUL TO US-SOVIET COMMERCIAL RELATIONS IF THE INCIDENT COULD BE RESOLVED IN A WAY THAT CORRECTS THE UNFORTUNATE IMPRESSION PRESENTLY HELD IN THE US.

4. AT THE MEETING OF SECRETARY KREPS WITH KOSTANDOV AND SUSHKOV THE SAME DAY, THE CRAWFORD CASE DID NOT COME UP. VANCE

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